

Presentation to:
**Science, Technology & Telecommunications
Committee**

September 28, 2020

by
**New Mexico Exchange Carrier Group
(NMECG)**



NMECG



New Mexico Exchange Carrier Group

Introduction:

- The NMECG is a Telephone industry association for Incumbent rural companies providing voice and Internet service to customers in the most rural areas of New Mexico. These rural telephone companies have less than 50,000 access lines with the majority having less than 10,000 access lines. The group was formed to improve communications within the industry as well as with legislators and the regulatory commission. Our main objective is to help small telephone companies in New Mexico provide excellent telecommunications services at affordable rates. This task is a challenge difficult to achieve, considering the vast rural areas that make up our service areas but easily accomplished due to the commitment the small companies have made in serving their customers. We are most proud of our high availability rate of broadband services in the very rural areas we serve. We are proud to be among the best employers in our communities and the longevity and dedication of our employees.
- The NMECG's membership is comprised of ten Incumbent Local Exchange Carriers (ILECs). The make-up of the companies includes five member-owned cooperatives and five commercial companies

NMECG Member Telephone Companies

BACA VALLEY TELEPHONE COMPANY - DES MOINES, NM (bacavalley.com)

DELL TELEPHONE COOPERATIVE - DELL CITY, TX (delltelephone.com)

ENMR/PLATEAU COOPERATIVE— CLOVIS, NM (plateautel.com)

PENASCO VALLEY TELEPHONE COOPERATIVE – ARTESIA, NM (connect.pvt.com)



YUCCA TELECOM COOPERATIVE— PORTALES, NM (yuccatelecom.com)

TULAROSA BASIN TELEPHONE COMPANY – TULAROSA, NM (tularosa.net)

VALLEY TELECOM GROUP COOPERATIVE – WILCOX, AZ (vtc.net)

WESTERN NEW MEXICO TELEPHONE COMPANY— SILVER CITY, NM (wnmc.com)

WINDSTREAM TELECOMMUNICATIONS COMPANY— LITTLE ROCK, AR (getwindstream.com)

NAVAJO COMMUNICATIONS DBA FRONTIER COMMUNICATIONS – ST.
MICHAELS, AZ. (frontier.com)



NMECG Board Members

President:

Steven D. Metts

Vice President:

Launa Waller

Treasurer:

Ian Brumana

Secretary:

Joshua A. Beug

Executive Director:

Matejka Santillanes

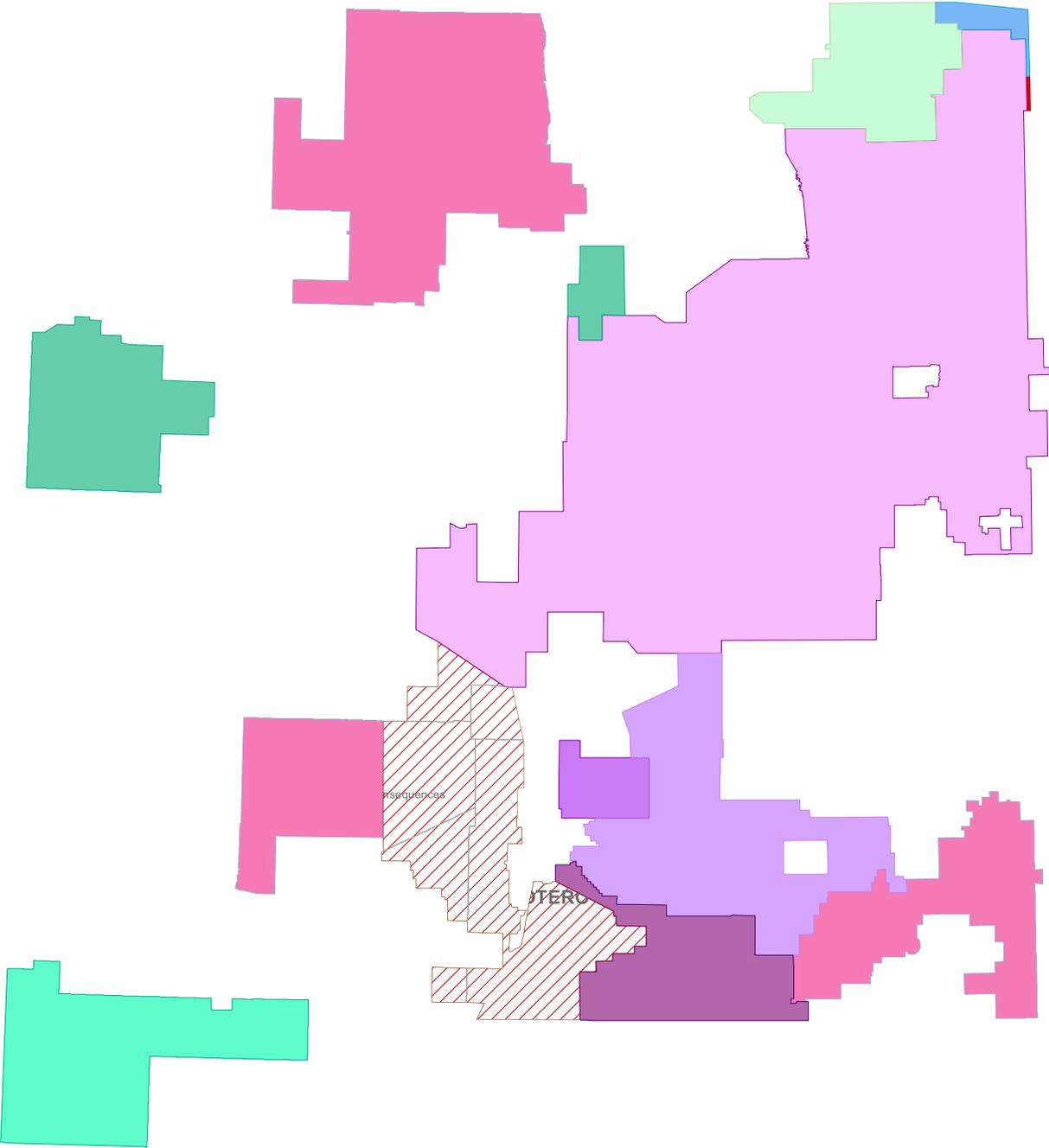
NMECG



New Mexico Exchange Carrier Group

The NMECG companies provide service covering over 63% percent of the state's geography, equating to over 66,000 square miles. The blend of vast geographic areas combined with low population density means the average rural New Mexico Telephone Company serves fewer than 1.86 access lines per square mile.

New Mexico LEC Boundaries



/Plateau

(Frontier/Navajo)

10

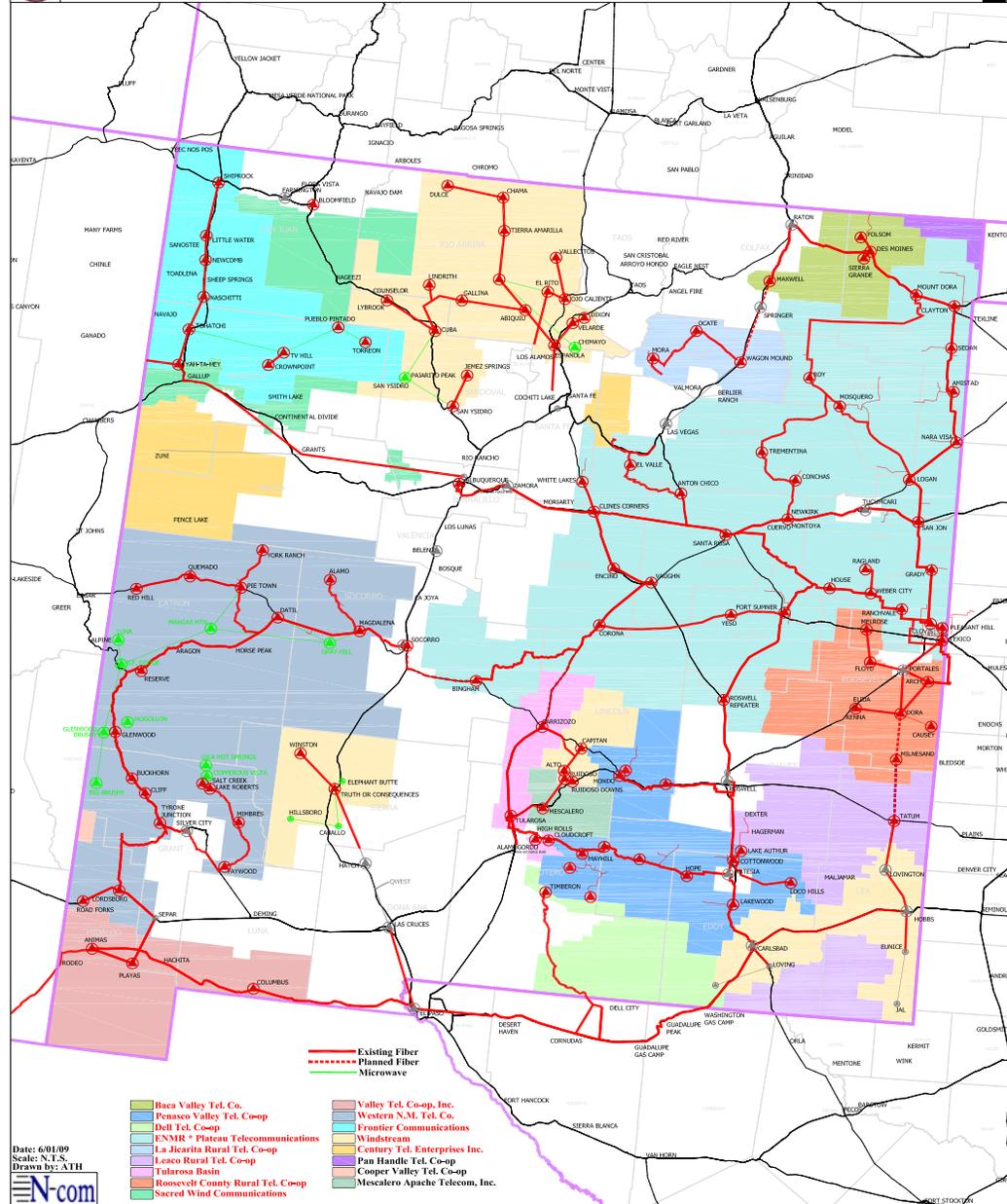
80

Miles

June 2012



New Mexico Exchange Carrier Group



This fiber route map shows our main fiber routes, however we have many more miles of fiber within our exchange boundaries to individual customers and equipment cabinets.



NMECG's Rural and Small Carrier Perspective on New Mexico's Regulatory Environment -

- All NMECG Members Companies are regulated by PRC under the Rural Telecom Act for companies with less than 50,000 access lines. Majority of our companies have less than 10,000 access lines.
- State Rural Universal Service Fund (SRUSF) administered by PRC.
- SRUSF helps give our members the ability to advance Broadband in Rural New Mexico. Eligible Telecommunication Carriers (ETC) receiving SRUSF support must expend at least 60% of the support received to deploy and maintain broadband internet access services in rural New Mexico.
- Beginning in 2018, a minimum of \$5 million annually of the SRUSF is dedicated to the broadband program, issued as broadband grants administered by PRC.
- NMECG has a long history of working with PRC on telecom issues



Baca Valley Telephone Company (BVT), located in Des Moines, NM, is an investor owned company that is an incumbent local exchange carrier (ILEC) as well as a competitive local exchange carrier (CLEC) in northeastern New Mexico and southeastern Colorado. BVT offers dial tone, broadband, satellite, FTTP, dial-up internet and CLEC services.

There are some areas within our 2,545 square miles of service area that are underserved or unserved. These areas are due to the high cost per mile to install buried fiber optic cable. The cost is \$25,000 to \$30,000 per mile, not including the cost of electronic equipment, due to remoteness, difficult terrain, and rocky soil conditions, as well as the remoteness with an average of less than one customer per square mile. BVT and SCI have 20 full time employees, a 24 x 7 x 365 call center (NOC) and has been in existence since 1974.

The schools and libraries in BVT service area have broadband with speeds ranging from 100M to 1Gig. We work closely with our area schools to make sure their students are served with broadband and internet for their online school needs.

COVID-19 Actions:

We have worked with our schools, mainly in our ILEC areas, in identifying students needing Internet and we have connected all students in Maxwell and all except one in Des Moines. We have extended fiber, at no cost, for the only one left out in the Des Moines district and hope to connect that family next week. We have also waived all of our standard installation fees for students. So far it has worked great.

In addition and just as important, we made sure teachers had adequate bandwidth. All told, we spent hundreds of labor hours and major equipment costs making sure what students and teachers we could help, we did.



Dell Telephone Cooperative located in Dell City Texas, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate, Delcom, that offers internet service which serves over 20,000 square miles in West Texas and Southeastern New Mexico in Eddy and Otero Counties. Dell has created one of the most impressive telecommunications systems in the United States. Over 1,000 miles of fiber optic cable provides our residential and business customers with affordable and reliable high-speed digital connectivity to virtually anywhere on the planet!

COVID-19 Actions:

Dell Telephone has been working with the Cloudcroft New Mexico School district for the past 5 months providing a free internet hot spot for school students in our Timberon Exchange. This hot spot is installed at the Timberon Lodge Parking area. All students have free access to the hot spot for their school work, even if they could not subscribe to internet at home.

We have done our best to keep home Internet connections running at their full speeds in these very rural areas. These helped facilitate home access to schools, work-at-home, and access to telemedicine for the folks who do have internet services.

Finally, of course Dell has participated in all national efforts to delay disconnects to all who fell behind in payments as a result of the COVID-19 breakout. These are not especially wealthy areas, so this proved to be important, too.



ENMR/Plateau Telephone, (Plateau), located in Clovis, New Mexico, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in Eastern New Mexico. Plateau offers landline telephone, high-speed internet and business solutions.

Plateau has approximately 9,000 members and has a service area of approximately 25,000 square miles.

COVID-19 Actions:

Beginning in March, and through the remainder of the 2019-2020 school year, Plateau provided free internet service to area students through their respective school districts. Plateau also halted delinquent disconnects for that period of time and provided a hardship discount of 25% upon request. We reached out to area school districts to offer a \$20 month-to-month internet plan for students and teachers. In our ILEC area, this plan would also be eligible for the Federal Lifeline discount of \$9.25 for qualified households.



Penasco Valley Telephone Cooperative, (Penasco), located in Artesia, New Mexico, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in Southeastern New Mexico. Penasco offers landline telephone, high-speed internet and business solutions.

Penasco has 88 employees serving customers over a 4,929 square mile area.

COVID-19 Actions:

Penasco Valley Telephone Cooperative and its subsidiary PVT Networks have been heavily involved in broadband connectivity since the Covid-19 pandemic has been impacting schools and our communities. PVT signed the FCC's Keep America Connected Pledge which waived late fees for internet customers. PVT also pledged to not disconnect any internet customers during this period for non-payment. To further provide broadband access to residents are the most challenging to serve, PVT created Wi-Fi hotspots in several communities to offer broadband access wirelessly from their vehicles.

Understanding the needs of the communities we serve, PVT developed a "Homework Gap" program to ensure students and families had access to the broadband they need. The Homework Gap program offered broadband internet with no installation charges and PVT provided Wi-Fi routers to these customers at no charge. To say this has been popular and well received would be an understatement.

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Penasco Valley Telephone Cooperative
COVID-19 Actions (continued):

Envisioning the need for additional broadband as the new school year approached, PVT went to work and created an additional program called “Back to School”. This program offers the same opportunities as the Homework Gap program and ensures students in our serving area have access to the broadband required to perform their schoolwork.

PVT operates in some of the most rural and remote areas of New Mexico. As the need for affordable broadband increases, companies such as PVT are facing pressure from regulators to continue offering high speed broadband while reducing funding to do so. Current New Mexico USF rules, only allow for support on voice telephone connections, with no component for broadband only connections. The current structure is outdated, and needs modernization. Allowing companies such as PVT to receive NMUSF funding for Consumer Only Broadband Connections will allow companies to continue providing broadband services at an affordable price our communities so desperately need. Allowing for NMUSF support for broadband only connections will allow companies to offer broadband only at an affordable price without customers being required to pay for a voice line they may not be able to afford.



Yucca Telecom Cooperative, located in Portales, New Mexico, has proudly been a part of eastern New Mexico for over 69 years, providing universal access to high quality communications services since 1951. Yucca is a telephone cooperative that is an incumbent local exchange carrier (ILEC) and a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in eastern New Mexico

Yucca Telecom is one of the first companies in New Mexico to lay a platform for a Gigabit Network. Fiber Powered state-of-the-art technology has been installed in Portales and in some of our surrounding communities. This technology offers 100 Mbps up to 1 Gigabit (1000 X's Faster) Internet Speeds, and Fiber TV in the City of Portales. We're focused on providing cutting-edge technology to everyone in our vast service area that covers over 3,400 square miles in Roosevelt, Curry, DeBaca, Chaves, and Lea Counties, much of it over a state of the art fiber network.

COVID-19 Actions:

Our commitment to the FCC's Keep America Connected Pledge ensures that our customers can count on Yucca Telecom to keep them connected while they deal with the challenges associated with COVID-19.

We realize that broadband internet access is essential to ensure that students in our communities are able to learn and study remotely. We are focusing on making sure students in our service area stay connected during this trying time.

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Yucca Telecom Cooperative

COVID-19 Actions (continued):

Yucca Telecom is going beyond what the FCC has asked by offering additional support to residents who are not currently our customers:

- Free internet for up to 60 days to households with K-12 and/or college students who do not already have Yucca Telecom Internet.
- Households must be within the Yucca Telecom service area and have access to our fiber network. The fastest speed available at each location will be provided.
- Installation fees will be waived.
- There are no data caps – our internet is unlimited.

As a cooperative, Yucca Telecom mission is to improve the quality of life in the communities we serve. Yucca Telecom will continue to closely monitor this dynamic situation and respond as needed to continue delivering reliable Internet to our communities.



Tularosa Basin Telephone Company (Tularosa), located in Tularosa, New Mexico, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in the Tularosa and Ruidoso area. Tularosa offers its customers voice, broadband and MSP.

All of our schools have Broadband services via fiber. All of them receive 100m/100m. However we are upgrading our network and we will be able to offer the schools up to 1G/1G in the 1st quarter of 2020. Tularosa has 33 employees and has been in business for 22 years.

COVID-19 Actions:

Tularosa Basin Telephone has installed WIFI hotspots in larger parking lots with the permission of the businesses that own them that students can sit and get online. We have upped bandwidth in libraries and schools at no charge as well so they have extra bandwidth to accommodate students.

Student Free WiFi locations are:

Tularosa: James Vigil Park - Gazebo Area;

Cloudcroft: Skating Rink Parking Lot;

Ruidoso:-First National Bank- East Lot;

High Rolls: Senior Center Parking Lot

Alamogordo: Otero County Fair Grounds- Parking Lot

Carrizozo: TBD

We want to thank these business entities for helping us make this possible for each community!



Valley Telecom Group, (Valley), located in Willcox, Arizona, in business for 57 years, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service in Southeastern New Mexico and Southwestern Arizona. Valley offers landline telephone, high-speed internet and business solutions.

All areas within Valley's service area are considered served with the exception of a very few of the very remote customers (less than 1% are underserved/unserved).

Each school and library in Valley's service area are served via fiber optic cable. They have all the broadband that each school chooses to purchase. Animas School – 750MB/30MB; Columbus Elementary – 500MB/500MB; Columbus Library - 100MB/5MB.

COVID-19 Actions:

Valley provides services to 15 school districts in SW New Mexico and SE Arizona. These schools range in size from as small as 10 students to as many as 1200 students with the vast majority of them being smaller. In March, when the pandemic began Valley reached out to the Superintendents of each School and asked for a list of all students who did not have Internet Access. Upon obtaining the list, where feasible, Valley connected each home to broadband services and provided this service free of charge until the end of July. This included several customers who had prior bad debt with Valley and several where service had to be installed through temporary means like laying cable on top of the ground. This also included providing free services to the homes of several teachers.

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Valley Telecom Group Cooperative
COVID-19 Actions (continued):

In areas where it was not feasible to get service to individual homes in a timely basis, Valley installed several WiFi hotspots that were open to students to access their school work at no charge to the schools or the parents.

Valley also has an Education Foundation which offered each school \$10,000 in cash (\$150,000 total). The only condition was that it had to be used to purchase laptops, tablets or other technology to assist students during the pandemic. \$130,000 of this was spent with two schools declining the offer.

Valley did not disconnect ANY Internet customers for non-payment from March until the end of July. Valley also gave customers the chance to make up their past due balance in payments over 6 months with no interest or late fees.

In August, Valley introduced an Internet package that includes a \$30 per month discount to any family that qualifies for any low income assistance program with a student in school . This discount applies for the entire 20-21 school year. Valley continues to receive requests for assistance with technology and will be granting \$12,000 to one school later this month to equip the faculty with tablets. These requests are addressed monthly. The VTC Foundation routinely grants approximately \$150,000 in scholarships to area students each year. This includes trade schools in addition to undergraduate and graduate programs at universities.



Western New Mexico Telephone Company (Western), located in Silver City, New Mexico, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in the southwestern and south central New Mexico area. Western offers its customers voice, broadband and MSP.

All of the schools and libraries in the Western Service area have Broadband services via fiber, with 100M the most common. Almost 80% of the locations in our regulated service territory can receive 10/1 or better. Approximately 15% cannot receive at least 4/1, but many of these locations are not currently occupied or are remote cabins in the Gila Wilderness.

Western has approximately 60 employees and has been in business for approximately 45 years.

COVID-19 Actions:

Similar to most rural providers, we have set up over a dozen free WiFi hotspots in the communities we serve as well as offering 30-60 days free to students that currently do not subscribe to our service.

We have also donated 100 Chromebooks to local schools.

We are currently working with many of our local schools to identify student homes that do not have/or subscribe to lower tiered subscriptions to come up with a plan to get them connected and pay for services that will allow them to participate in online learning.



Windstream Telecommunications Company (Windstream), located in Little Rock, Arkansas, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in various areas within New Mexico. Windstream offers its customers voice and internet, primarily.

Windstream is a big proponent of the New Mexico Broadband Grant Program. Windstream participated in both the 2019 and the 2020 Broadband Program. In the 2019 Broadband Program, Windstream identified projects totaling \$218,084 with the Program providing \$163,563 in funding with Windstream funding of \$54,521. In the 2020 Broadband Program, Windstream submitted projects totaling \$2,216,944 with the Program providing \$1,662,708 in funding (subject to Commission review and approval prior to October 1, 2019) with Windstream funding of \$554,236.

Windstream has approximately 87 employees located in the state of New Mexico. The company officially became Windstream in 2006 however, as a whole, Windstream is made up of various operating entities that were incorporated at various times, its oldest entity has operated since the late 1800's.

COVID-19 Actions:

1. Windstream worked with school districts across our service area to increase their existing bandwidth to a minimum of 500 meg up to 1 gig at their locations. This increase in bandwidth was provided without an increase in rates and in many cases, with associated rate decreases. For example, one school district's total bill decreased by 50% as a result of this initiative.

Continued ---



COVID-19 Actions (continued):

2. Windstream worked with the school districts to increase WIFI access points within the schools such that every room within a building had WIFI access.
3. Windstream participated in a RFP and was awarded the opportunity to complete a fiber build to the last remaining school without fiber access. The school district was Northwest REC2.
4. Windstream also provided consulting services, free of charge, to a number of schools districts to aid them in establishing WIFI to the parking lots to improve the availability of high speed internet services to their students.
5. Windstream was an early participant in the FCC's Keep American Connected Pledge. Requirements of the Pledge included not terminating services because of their inability to pay their bills, waive late fees and to open its WIFI hotspots. Windstream was recognized by the FCC as a company that has gone above and beyond the call to keep Americans connected during the pandemic.
6. Windstream established a customer offer that included free residential service and discounted service for a two month period. Information was shared with 7 school district superintendents and subsequently shared with school district families.

Navajo Communications/Frontier Communications

Navajo Communication/Frontier Communications is an incumbent local exchange carrier (ILEC) and is an investor owned company. Navajo Communications (NCC) provides voice and broadband in northwestern New Mexico, primarily within the boundaries of the Navajo Nation.

- Providing telecommunications services to Navajo communities since 1970, serving approximately 3,500 voice access lines in New Mexico.

- Provide service across twelve rural and high cost exchanges over 5,800 square miles with a service density of less than one access line served per square mile.

- Deployed a redundant backbone transport network.
 - Increased network reliability
 - Enabling Ethernet services
 - Enables rapid expansion and access to the Cloud

- We work with the Navajo education community from Elementary through Higher Education (i.e. Gallup McKinley School District, Dine College, Navajo Technical).
 - Provide Gallup McKinley Schools with 1 Gig Ethernet service to various school buildings.
 - Twin Lakes Elementary: Crownpoint, Navajo and Tohatchi Elementary, Middle and High.
 - Coordinating with Higher Ed Community on plans for use of Federal CARES Act funding.

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Navajo Communications – Lifeline Program

- Frontier is committed to helping qualified low-income individuals pay for telephone service or qualifying internet access services by supporting the principles of Universal Service.

- The goal of Universal Service is to make telephone or qualifying internet access services affordable, by participating in low-income Lifeline (or Tribal Lifeline/Link Up) programs.

- Eligible Customers can apply a Lifeline discount to qualifying standalone internet access services.

- Lifeline service is a government assistance program that provides a discount on the cost of monthly telephone service only (\$7.25) or qualified internet access service with or without telephone service (\$9.25).

- An eligible resident living on federally recognized Tribal Lands who participates in one of the qualifying programs or one of the Tribal assistance programs shall also qualify for an additional monthly credit of up to \$25.00 with Enhanced Tribal Lifeline and up to \$100.00 toward installation fees with Tribal Link-Up Assistance.

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➤ **COVID-19 Actions:**

Broadband Service:

For our customers with students that need to do remote schoolwork or customers who are working from home, Frontier's broadband service offers customers unlimited data with no caps.

As an active participant in the Federal and Tribal Lifeline programs, we offer the available Lifeline credits to low income voice and broadband customers who qualify for the program.

Frontier is augmenting network capacity where available and reasonably possible to meet higher daytime hour network usage.

For our commercial customers, we are working with those who have been forced to close on a case-by-case basis.

Where we have available capacity, Frontier will provide free bandwidth speed upgrades to the next tier for up to 3 months to existing Rural Health Care and E-Rate Program customers who request upgrades (to a max of 1Gbps).

New Mexico Exchange Carrier Group (NMECG)

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